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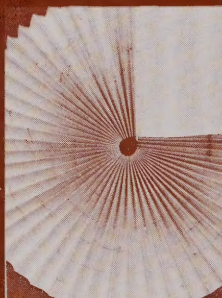


WIX CORPORATION LIMITED

Canadian
Annual Report 1973

Summary at a glance

	1973	1972	Increase
Net sales	\$7,257,801	\$6,211,969	16.8%
Income before taxes and equity in earnings of other companies	382,077	257,669	48.3%
Income taxes	157,500	114,000	38.2%
Net income after taxes but before equity in earnings of other companies	224,577	143,669	56.3%
Equity in earnings of other companies	100,300	74,310	35.0%
Net income for the year	324,877	217,979	49.0%
Earnings per share	.45	.36	



Cover:

*A photograph of specially-treated pleated paper
used in most Wix filter products*

AR15

THE GOLD STANDARD
IN FILTRATION



Approved

REPORT
TO
SHAREHOLDERS

CANADIAN

INTERIM REPORT

WIX CORPORATION LIMITED

25 CURITY AVENUE
TORONTO, ONTARIO M4B 1X9

SIX MONTHS ENDED

JUNE 30th, 1973

TO OUR SHAREHOLDERS:

We are pleased to issue our Interim Report for the six-month period ended June 30th, 1973. During this period sales amounted to \$3,886,364, compared to \$3,358,209 for the same period a year ago, representing a 15.7% increase.

Profits for the period amounted to \$174,151. Profits for the same period a year ago were \$192,215, which included the amount of \$19,965 — which was the result of an adjustment in the accounting period of Wix New Zealand as outlined in the note affixed to the accompanying statement.

While the Company is still facing a strong competitive market in Canada, Management has been successful in negotiating price increases with some of its larger customers.

Such increases in price will help defer the burden of continuing spiralling inflation costs of steel, paper and petroleum products which go into the making of our filter products.

During the period the Company received a new major contract with business to commence during the third quarter.

ECO-TEC LIMITED

We are encouraged by the recent enthusiasm which has been indicated by the plating industry for our chromic acid recovery system in both Canada and the United States. The Company now has several firm orders for this system which we expect will be delivered and operating before the year end.

As these units prove themselves in service we expect a substantial increase in sales impact. At this point the system seems to provide an important advance in technology and appears to have promise in handling many other pollution problems for industry.

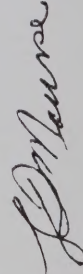
WIX INTERNATIONAL CORPORATION

Wix International is now engaged in exploring several new markets. The devaluation of the Dollar has improved our competitive position in many countries and appears to have provided an even greater opportunity in the export field.

Wix New Zealand, who on June 30th had just completed the best year in their history, both in sales and profits, suffered a severe fire loss in early July.

While the next few months will be very difficult for the New Zealand company, I am glad to report that we had excellent insurance coverage on this operation, including the profits.

We are currently arranging rush shipments from other Wix factories to provide the best possible customer service until the New Zealand operation can be resumed on a full scale basis.



August 15, 1973

President

WIX CORPORATION LIMITED

Consolidated Statement of Income (Unaudited)

	Six Months Ended June 30th 1973	1972
NET SALES	\$3,886,364	\$3,358,209
Cost of sales and expenses other than undermoted	3,587,828	3,024,494
Interest on long-term debt	19,824	30,077
Depreciation and amortization	77,967	56,793
	3,685,619	3,111,364
Other Income	200,745	246,845
	33,221	33,456
INCOME BEFORE INCOME TAXES AND EQUITY IN EARNINGS OF OTHER COMPANIES	233,966	280,301
INCOME TAXES		
Current	78,587	117,135
Deferred	15,000	9,000
	93,587	126,135
INCOME BEFORE EQUITY IN EARNINGS OF OTHER COMPANIES	140,379	154,166
EQUITY IN EARNINGS OF OTHER COMPANIES	35,000	* 38,049
	175,379	192,215
Minority Interests	1,228	—
NET INCOME FOR THE PERIOD	\$ 174,151	\$ 192,215
NET INCOME per SHARE based on 725,653 shares outstanding as of June 30th, 1973	.24	.27

* Effective May 15th, 1972, the Company's share interest in Wix New Zealand and Wix U.K. was transferred to Wix International in which the Company holds a 40% interest. As a result of this transaction, an adjustment in the accounting period for Wix New Zealand was required. Such adjustment caused an increase in profits included in the Equity in Earnings of Other Companies in the amount of \$19,965.

Consolidated Statement of Source and Application of Funds

	Six Months Ended June 30th 1973	1972
SOURCE OF FUNDS	\$ 174,151	\$ 192,215
OPERATIONS		
Net Income for the Period	77,967	56,793
Items not involving current funds	15,000	9,000
Depreciation and amortization	11,000	—
Deferred income taxes	(35,000)	(26,338)
Common shares issued on conversion of employee debentures	(2,865)	—
Equity in undistributed earnings of Other Companies	240,253	231,670
Minority Interests	—	1,820,035
Proceeds of issue of common shares (less expense of issue)	240,253	2,051,705
APPLICATION OF FUNDS		
Additions to fixed assets	330,776	66,332
Decrease in non-current portion of long-term debt	8,617	6,787
Conversion of employee debentures	11,000	—
Dividends paid	72,565	59,284
Additional investment in Wix International	16,000	—
Redemption of debentures	—	272,200
	438,958	404,603
INCREASE (DECREASE) IN WORKING CAPITAL	(198,705)	1,647,102
WORKING CAPITAL AT BEGINNING OF PERIOD	2,558,940	917,623
WORKING CAPITAL AT END OF PERIOD	\$2,360,235	\$2,564,725



Officers

Lloyd W. Nourse, *Chairman and Chief Executive Officer*
Fred E. Myers, *President*
Leon Alexander, *Vice President*
Edward Plante, *Vice President, Manufacturing*
Alan Corbett, C.A., *Secretary-Treasurer*

Directors

Leon Alexander	David Kerr
Arthur Allan	Fred Myers
Benny Hoyle	Lloyd Nourse
Kingsley Humbert, Jr.	Malcolm Nourse

Bankers

The Royal Bank of Canada

Transfer Agent and Registrar

The Canada Trust Company

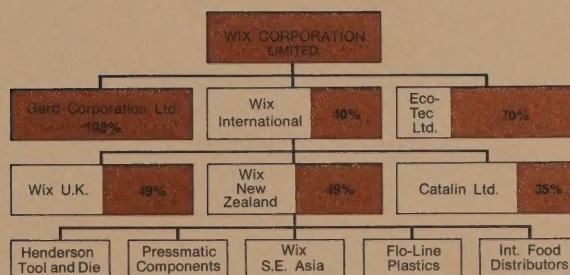
Auditors

Thorne Gunn & Co.

Head Office

25 Curity Avenue, Toronto, Canada M4B 1X9

Common shares listed Toronto Stock Exchange and
Montreal Stock Exchange



Wix "Family Tree". See page 6

Report to Shareholders

On behalf of the Board of Directors we are pleased to present the Annual Report for Wix Corporation Limited for the year ended December 31, 1973.

Net revenue increased 16.8% to \$7.25 million. During the same period improved plant efficiency, new equipment and more stabilized pricing brought a 56.3% increase in Canadian net earnings from \$143,669 in 1972 to \$224,577 in 1973. Total net earnings for the year increased 49% to \$324,877 or 45¢ per common share.

This higher volume of business has continued throughout the first quarter of the current year. Therefore, while it is too early to make projections for 1974, the outlook is most promising. This applies to both the Wix Canadian operation and the diversified activities within Wix International Corporation.

In view of our 1973 results, your Board of Directors has adopted a semi-annual dividend policy and has declared an initial dividend of 6¢ per share payable April 16, 1974 to shareholders of record March 29, 1974.

This Report to Shareholders for 1973 is jointly signed by Lloyd W. Nourse and Fred E. Myers. This reflects the appointment of Mr. Myers as the President of Wix, effective January 1, 1974. Mr. Nourse is continuing to play an active role as President of Wix International and as Chairman of the Board and Chief Executive Officer of Wix Corporation Limited.

The fact is that Mr. Nourse and Mr. Myers have been working together as a management team since 1969 when Mr. Myers joined the Company as Vice-President and General Manager. The recent change was part of a carefully-planned program which we believe will have significant impact on the future of the Company.

One year ago the Wix Annual Report noted that several new developments had taken place, including the acquisition of 20 acres of property at Pickering, Ontario for construction of a new distribution warehouse centre as well as manufacturing facilities.

As noted elsewhere in this annual report, construction is now underway, with occupancy of a new 120,300 square foot building scheduled for late 1974. This is the first phase in a five-year building program that will cost \$7-\$8 million. Long range planning has gone into this project — not only with respect to financing but also to ensure that the Pickering facilities will meet our production requirements for many years to come.

We are encouraged by developments at Eco-Tec Limited.

This Wix subsidiary (70%) is taking an aggressive approach in marketing its patented recovery system for waste chromic acids. Eco-Tec now has a number of installations operating successfully in Canada and the U.S.A. We are continuing to receive enquiries from potential customers in all parts of the world.

Field applications have shown that the Eco-Tec system is highly efficient and research has established that similar recovery systems can be applied to other plating operations such as nickel and zinc. These developments indicate that Eco-Tec has the potential for showing good returns in a highly technological market.

This annual report also devotes space to Wix International Corporation, which includes a variety of operations in the United Kingdom,

New Zealand and Malaysia. This has been a profitable entry for your Company through its 40% interest in Wix International. We are now investigating other countries which would be amenable to manufacture and/or distribution of filters, or to other activities where Wix International would contribute to the economies of these countries and at the same time show a fair return on its investment.

While all these outside activities contribute to the earnings of your Company, the manufacture of filters in Canada continues to represent the main source of revenue. This continues to be a highly-competitive business where your Company's ability to move forward is governed to a large extent by competent management and a continuing reliance on new and improved production methods.

Because of the energy shortage and its effects on transportation, the automotive industry may undergo changes. However, such changes are more likely to affect the size and styling of vehicles required rather than the number of units. In the overall picture we are optimistic that the need for filters will continue to grow and we believe Wix will increase its penetration of both the Canadian market and offshore operations.

With respect to acquisitions, several possibilities were studied at length during the past year. Your Company is primarily interested in a business which has some relation to its present operations and one which would make an immediate contribution to earnings. These two stipulations narrow the field considerably.

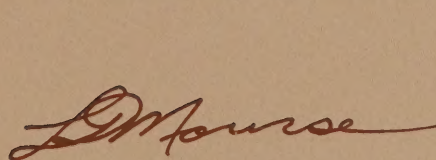
Allen H. Sims, a Director of the Company, has tendered his resignation as of December 31, 1973. Mr. Sims was one of the founders of Wix Corporation U.S.A. and its Chairman until his recent retirement. He has been a director of Wix Corporation Limited, Toronto, since it was founded in 1942. His relationship with our Company has always been one of understanding, co-operation and goodwill. His support and counsel have been of great consequence in the development of Wix in Canada.

Kingsley E. Humbert, Jr., Vice President-Engineering of Wix Corporation U.S., has been appointed a Director to succeed Mr. Sims.

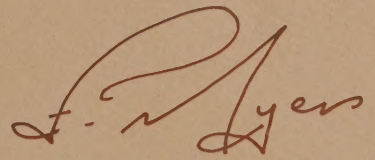
In summary, 1973 was a year of progress for your Company. The outlook for 1974 is quite encouraging in spite of sharply increased costs of obtaining raw materials currently in short supply.

On behalf of the Board of Directors, we wish to welcome new shareholders who have joined us during the past year.

We would like to thank Wix employees for their continued loyalty and dedication, and also our many suppliers and customers. Through the years Wix has achieved an enviable growth record. This has been due to the joint efforts of many people.



L. W. Nourse
Chairman of the Board



Fred E. Myers
President

Toronto, Ontario April 15, 1974

Your Company moves forward

Profile

Wix Corporation Limited is one of the largest Canadian manufacturers of oil, gas and fuel filters for the automotive, aviation and industrial markets.

In its Toronto facilities the company produces more than 2,200 filter models from among 600 basic filter types. Products are made under the Company's name as well as those of major oil companies and automotive supply houses.

In 1942, when Wix started its operations, there were six employees and one production line. Today manufacturing is fully integrated using highly-specialized machines and the skills of more than 400 employees.

Through Wix International (40% equity) Wix Canada has interests in filter manufacturing, resins, plastic containers and food packaging in England, New Zealand and Malaysia.

In all areas there has been a sustained increase in demand for Wix products and the company is in a strong financial position as it enters its 33rd year of operation.

New Building

A \$1.5 million plant and distribution warehouse is under construction at Pickering, Ont., with occupancy planned for late 1974.

This 120,300 square foot building on a 20-acre site represents Phase One of a three-phase expansion program that will continue over the next five years. When the Wix operations are completely centralized at Pickering, construction will exceed 400,000 square feet with an investment of \$7-\$8 million.

Wix will continue to operate its 128,000 square foot plant at Curity Avenue in Toronto until Phase Three is completed.

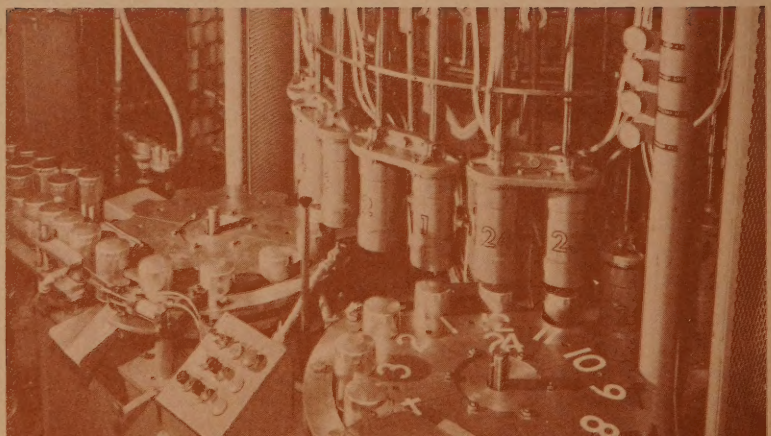
To relieve pressure that has developed in our Toronto operations, the new building gives priority to storage and warehouse facilities. In addition, the Pickering plant will have two air filter production lines — one to be moved from Curity Avenue, while the second will be an added facility to keep pace with increased demands.

Under the re-location program, raw material supplies will be moved from our Northline Rd. building into part of the vacated warehouse space at Curity Avenue. The Northline Rd. building will then be sold. Approximately 32,000 square feet at Curity Avenue will become available for leasing.

New Pickering facilities



Automatic spin-on test machine



New Equipment

New equipment is often an answer to improved efficiency in plant production.

One example is the new automatic spin-on testing unit that provides high-speed production on key volume filter lines. Besides ensuring accuracy with each filter, the new unit frees employees from what was previously a tedious and undesirable job.

Wix has a Value Analysis Committee which studies various projects related to equipment and manufacturing techniques. The committee includes representatives from sales, purchasing, research, quality control and production, thus ensuring that all areas are covered.

Gard Corporation Ltd.

This wholly-owned subsidiary is seen as a very significant development for the company and its future operations. Gard Corporation Ltd. was formed in 1973 to supply filters in Canada under the NAPA brand.

NAPA is the largest distributor of automotive after market products in the U.S. (the letters stand for National Automotive Parts Association).

Genuine Parts Company, Atlanta, Georgia, the major NAPA distributor, recently purchased a network of warehouse distributors and automotive wholesalers in Alberta and British Columbia.

Gard has been supplying NAPA filters to these outlets since September, 1973. The sales growth has been most encouraging.

Management

In recent years Wix management has undergone a subtle change — with an infusion of younger people into key operational positions.

Emphasis on youth has affected all departments, including accounting, purchasing and sales. As a result the average age of management personnel is now 36.5 years. As an example, the Board of Directors recently appointed Fred E. Myers, age 36, as the President of Wix.

But the company also has the benefit of experience as evidenced by the continuing active role of Lloyd W. Nourse, previously president of Wix. A co-founder of the company in 1942, Mr. Nourse is now the President of Wix International Corporation and the Chairman of the Board and Chief Executive Officer of Wix Canada.

Value Analysis Committee



L. W. Nourse



F. E. Myers



E. A. Plante



A. R. Corbett, C.A.



Wix International Corporation

A review of the Wix "Family Tree" shows that Wix International Corporation has attained a position of prominence.

Until Wix International was formed in May, 1972, Wix Corporation Limited, under its licensing agreement with Wix U.S., had the right to manufacture and distribute only in Canada and the British Commonwealth.

Under its new agreement with Wix U.S., Wix Canada acquired a 40% interest in Wix International and was given the responsibility of managing the new company — a combination of factors which contributed to ensuing growth.

Wix International now has eight companies which are directly or indirectly associated. These firms engage in a variety of manufacturing and service activities and profits have shown a consistent increase.

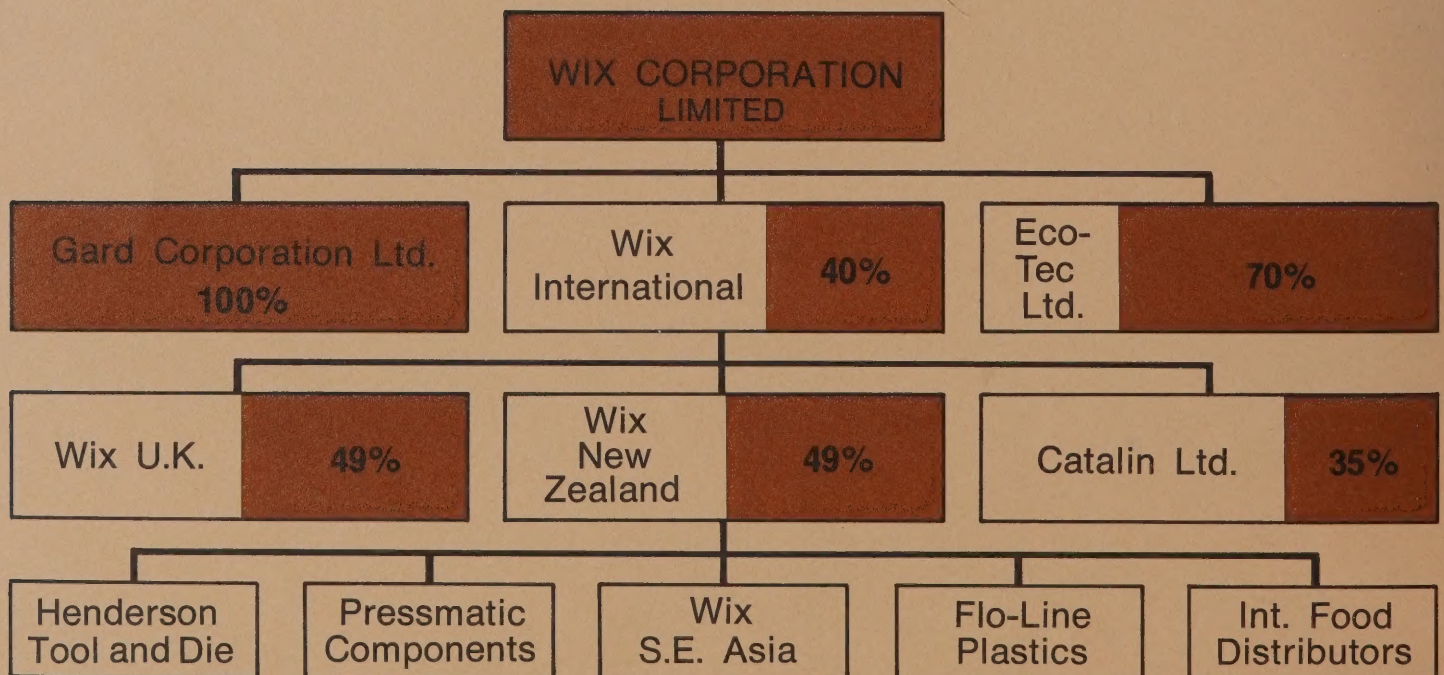
Last July, fire destroyed the Wix New Zealand filter manufacturing plant in Auckland. Construction of a new facility is now complete and Wix N.Z. will be in full production shortly.

Several factors have contributed to the growth of Wix International:

- The Wix name and reputation as a manufacturer of quality filters has proven to be an effective "calling card" in foreign countries
- The Wix international philosophy of sharing ownership with local business interests in overseas countries provides Wix International affiliates with local management
- Successful association with these partners, coupled with strong financial backing, has opened up additional investment opportunities.

In England, Catalin Limited owns 51% of Wix U.K.; however Wix International, besides holding the remaining 49% of Wix U.K., has a 35% interest in Catalin. Catalin engages in various other business activities such as manufacture of impregnated paper and processing of resins. Catalin is a diversified public company, listed on the London Stock Exchange, and is maintaining excellent growth.

During 1974, Wix International Corporation will be actively exploring expansion of its activities into other countries.



Eco-Tec on the move

This Wix subsidiary (70%) has developed and introduced a unique system for chrome plating operations whereby chromic acid is re-claimed from rinse waters and re-used, rather than being discharged into the water supply as a pollutant. During 1973, the Eco-Tec system became more widely known among plating operators in Canada and the United States.

Major impetus came from a display of the Eco-Tec system before the American Electroplaters' Society Technical Conference in Minneapolis. Eco-Tec was the only Canadian exhibitor before this professional body and its presentation, including a scientific paper by the company's research director, Dr. P. J. Simmons, created a great deal of interest.

Other enquiries originated from various feature articles about the Eco-Tec system in trade publications.

With all Eco-Tec installations to date operating satisfactorily Eco-Tec now feels the time is right to extend its marketing activities into Europe. Introduction is scheduled for September, 1974, when Eco-Tec will present its system at the Automechanika '74 show to be held in Frankfurt, Germany.

A shortage of chromic acid, and sharply-increased prices for this product (imported mainly from South Africa), has prompted plating operators to look more closely at recovery systems which enable them to re-use the chromic acid.

Much interest has been developed by the recycling of purified rinse water which would otherwise be wasted. In localities where water rates are high, or where fresh water is in short supply, closed-loop recycling is an important feature.

It appears to be only a matter of time before Eco-Tec's patented process will represent major sales. The present system recovers 99.7% of chromic acid previously wasted. Other features include relatively small size of the units, automatic controls, simple installation and adaptability to all sizes of applications. Eco-Tec now has a prototype in operation for recovery of nickel, using a similar process. Recovery of zinc is also under study.

Eco-Tec technician



Consolidated Balance Sheet

December 31, 1973

(with comparative figures at December 31, 1972)



Assets

1973

1972

Current Assets

Cash	\$ 1,600	\$ 369,056
Accounts receivable	1,098,238	864,460
Income taxes recoverable	—	103,730
Inventories (note 2)	2,179,669	1,697,906
Prepaid expenses	35,230	46,775
	<u>3,314,737</u>	<u>3,081,927</u>

Investment

Shares in and advances to Wix International Corporation (note 3)	<u>738,115</u>	<u>621,815</u>
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Fixed Assets (note 4)

Land, buildings and equipment, at cost	3,055,425	2,576,302
Less accumulated depreciation	<u>1,130,285</u>	<u>1,003,732</u>
	<u>1,925,140</u>	<u>1,572,570</u>

Other Assets	<u>175,912</u>	<u>91,654</u>
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	<u>\$6,153,904</u>	<u>\$5,367,966</u>
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Auditors' Report

To the Shareholders of Wix Corporation Limited

We have examined the consolidated balance sheet of Wix Corporation Limited and subsidiary companies as at December 31, 1973 and the consolidated statements of income, retained earnings and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. For the company accounted for by the equity method we have relied on the reports of other auditors.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1973 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
February 19, 1974

THORNE GUNN & CO.
Chartered Accountants

Liabilities

1973

1972

Current Liabilities

Bank loans, against which book debts and inventories have been pledged _____	\$ 125,000	\$ 22,385
Accounts payable and accrued liabilities _____	904,853	508,159
Taxes payable _____	33,419	16,195
Principal due within one year on long-term debt _____	17,583	16,248
	1,080,855	562,987

Long-term Debt (note 5) _____	535,612	554,191
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Deferred Income Taxes _____	272,000	255,000
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Minority Interest in Subsidiary Company _____	6,337	—
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Shareholders' Equity

Capital Stock (note 6)

Authorized 850,000 Common shares without par value		
Issued 725,653 Common shares (1972 — 721,803 shares) _____	2,029,979	2,018,979

Retained Earnings _____	2,229,121	1,976,809
	4,259,100	3,995,788
	\$6,153,904	\$5,367,966

Approved by the Board

 Director

 Director



Consolidated Statement of Income

Year Ended December 31, 1973
(with comparative figures for 1972)

	1973	1972
Net sales	<u>\$7,257,801</u>	<u>\$6,211,969</u>
Cost of sales and expenses other than undernoted	<u>6,732,151</u>	<u>5,828,631</u>
Interest on long-term debt	<u>42,675</u>	<u>51,476</u>
Depreciation (note 4)	<u>134,473</u>	<u>124,782</u>
	<u>6,909,299</u>	<u>6,004,889</u>
	<u>348,502</u>	<u>207,080</u>
Other income	<u>33,575</u>	<u>50,589</u>
	<u>382,077</u>	<u>257,669</u>
Income taxes		
Current	<u>140,500</u>	<u>71,000</u>
Deferred	<u>17,000</u>	<u>43,000</u>
	<u>157,500</u>	<u>114,000</u>
	<u>224,577</u>	<u>143,669</u>
Equity in earnings of Wix International Corporation	<u>100,300</u>	<u>74,310</u>
Net income for the year	<u>\$ 324,877</u>	<u>\$ 217,979</u>
Net income per share (note 7)	<u>\$.45</u>	<u>\$.36</u>

Consolidated Statement of Retained Earnings

Year Ended December 31, 1973
(with comparative figures for 1972)

	1973	1972
Balance at beginning of year	<u>\$1,976,809</u>	<u>\$1,818,114</u>
Net income for the year	<u>324,877</u>	<u>217,979</u>
	<u>2,301,686</u>	<u>2,036,093</u>
Dividends paid	<u>72,565</u>	<u>59,284</u>
Balance at end of year	<u>\$2,229,121</u>	<u>\$1,976,809</u>

Consolidated Statement of Source and Application of Funds

Year Ended December 31, 1973

(with comparative figures for 1972)

	1973	1972
Source of funds		
Operations		
Net income for the year	\$ 324,877	\$ 217,979
Items not involving current funds		
Depreciation	134,473	124,782
Deferred income taxes	17,000	43,000
Equity in undistributed earnings of Wix International Corporation	(100,300)	(74,310)
	<u>376,050</u>	<u>311,451</u>
Proceeds of issue of common shares	—	1,875,035
Conversion of debentures	11,000	15,500
Sale of fixed assets	1,080	1,758
Issue of note payable	10,000	—
Increase in minority interest	6,337	—
	<u>404,467</u>	<u>2,203,744</u>
Application of funds		
Additions to fixed assets	488,123	145,074
Advances to Wix International Corporation	16,000	40,000
Decrease in non-current portion of long-term debt	28,579	303,953
Dividends paid	72,565	59,284
Increase in other assets	84,258	54,116
	<u>689,525</u>	<u>602,427</u>
Increase (decrease) in working capital	(285,058)	1,601,317
Working capital at beginning of year	<u>2,518,940</u>	<u>917,623</u>
Working capital at end of year	<u><u>\$2,233,882</u></u>	<u><u>\$2,518,940</u></u>

Notes to Consolidated Financial Statements

Year Ended December 31, 1973



1. Basis of Consolidation

These financial statements include the accounts of Wix Corporation Limited, its 100% owned subsidiary company, Gard Corporation Ltd., which was incorporated in May 1973 and its 70% owned subsidiary company, Eco-Tec Limited.

2. Inventories

	1973	1972
Raw materials	\$ 758,982	\$ 537,026
Work in process	184,127	161,085
Finished goods	1,236,560	999,795
	<u>\$2,179,669</u>	<u>\$1,697,906</u>

Raw materials are valued at lower of cost and replacement cost. Work in process and finished goods are valued at lower of cost and net realizable value.

3. Investment

In 1972, the company acquired a 40% interest in Wix International Corporation in exchange for the company's investment in shares of Wix Corporation New Zealand Limited and Wix Corporation (U.K.) Limited.

The investment in Wix International Corporation is reflected at the cost of the investment in the New Zealand and United Kingdom companies plus equity in their undistributed earnings to the date of exchange in 1972 and equity in the undistributed earnings of Wix International Corporation since that date.

4. Fixed Assets

	1973		1972	
	Cost	Accumulated depreciation	Net	Net
Land	\$ 445,010		\$ 445,010	\$ 137,945
Buildings	1,091,125	\$ 245,484	845,641	855,764
Machinery and equipment	1,037,568	505,032	532,536	445,580
Tools and dies	347,057	284,582	62,475	86,039
Other	134,665	95,187	39,478	47,242
	<u>\$3,055,425</u>	<u>\$1,130,285</u>	<u>\$1,925,140</u>	<u>\$1,572,570</u>

Depreciation policy

Depreciation is provided on a straight line basis at the following annual rates:

Buildings	2%
Machinery and equipment	8 1/3 %
Tools and dies	33 1/3 %
Other	10% to 30%

5. Long-term Debt

	1973	1972
8% Mortgage, maturing April 10, 1988, payable \$4,349 monthly including principal and interest	\$447,695	\$463,939
Less principal included in current liabilities	17,583	16,248
	<u>430,112</u>	<u>447,691</u>
Debentures payable, 7% due February 1, 1976, unsecured, convertible into common shares on a basis of 175 common shares for each \$500 debenture converted	95,500	106,500
Note payable, non-interest bearing, due June 10, 1975	10,000	—
	<u>\$535,612</u>	<u>\$554,191</u>

6. Capital Stock

During the year the company issued 3,850 common shares on conversion of \$11,000 of the 7% debentures. At December 31, 1973, 13,125 common shares were under option to directors, senior officers and other employees of the company at \$5.85 per share. These options expire March 31, 1977.

In addition, 33,425 shares are reserved for conversion of the 7% debentures.

7. Net Income Per Share

Net income per share is based on the weighted average number of shares outstanding during the year. Shares reserved for employees' options and conversion of debentures would not materially dilute net income per share.

8. Other Statutory Information

Remuneration of directors and senior officers amounted to \$135,800 (1972, \$124,400).

9. Comparative Figures

The 1972 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1973.

10. Commitment

The company has entered into an agreement for the construction of a building in the amount of \$1,100,000, for use as manufacturing, warehousing and distribution facilities. In addition, the company has agreed to sell one of its existing facilities for \$409,500.

Summary of Operations

Year ended December 31, 1973

(with comparative figures for 1972)

	1973	%	1972	%	Increase	%
Gross sales	\$8,730,933		\$7,502,097		\$1,228,836	16.38
Net sales	7,257,801	100.00	6,211,969	100.00	1,045,832	16.84
Gross profit	1,705,818	23.50	1,347,046	21.68	358,772	26.63
Excess pension contributions	24,244	.33	5,000	.08	19,244	385.00
Bonuses	46,859	.65	29,455	.47	17,404	59.08
Depreciation	134,473	1.86	124,782	2.01	9,691	7.77
Interest						
Mortgage	35,871	.49	37,094	.60	(1,223)	(3.30)
Debentures	6,804	.09	14,382	.23	(7,578)	(52.69)
Other	1,957	.03	21,712	.35	(19,755)	(90.99)
Income before income taxes and equity in earnings of other companies	382,077	5.26	257,669	4.15	124,408	48.28
Equity in earnings of other companies	100,300	1.38	74,310	1.20	25,990	34.98
Net income for the year	324,877	4.48	217,979	3.51	106,898	49.04
Book value per share	5.87		5.54		.33	5.96
Working capital	2,233,882		2,518,940		(285,058)	(11.32)
Current ratio	3.07:1		5.47:1		(2.40)	(43.88)

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Wix Corporation Limited, Toronto, Canada